

CHRISTIAN COUNTY WATER DISTRICT

P.O. Box 7
Hopkinsville, KY 42241-0007
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Water Commissioners

William Lile
Chairman

Austin Young
Secretary

J. David Johnson
Treasurer

Steve Hunt
Ashbel Brunson

January 12, 2004

RECEIVED

JAN 16 2004

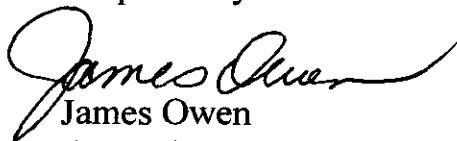
PUBLIC SERVICE
COMMISSION

Thomas Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P O Box 615
Frankfort, KY 40602-0615

RE: Case No. 2003-00087

On January 8, 2004, the Board of Commissioners of the Christian County Water District approved a water purchase contract extension with the Hopkinsville Water Environment Authority acting as the duly authorized agent for the City of Hopkinsville.

Respectfully


James Owen
General Manager

(Enclosures)

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JAN 16 2004

PUBLIC SERVICE
COMMISSION

**MEMORANDUM AGREEMENT BETWEEN
CHRISTIAN COUNTY WATER DISTRICT AND
HOPKINSVILLE WATER ENVIRONMENT AUTHORITY**

THIS MEMORANDUM AGREEMENT by and between the Christian County Water District (CCWD) and Hopkinsville Water Environment Authority (HWEA) made and entered into this 8th day of January, 2004, at Hopkinsville, Christian County, Kentucky;

WITNESSETH:

WHEREAS, pursuant to a Water Purchase Contract executed June 28, 1973, and its subsequent amendments, the CCWD purchases from HWEA bulk water for resale; and

WHEREAS, the parties, CCWD and HWEA, have agreed to five additional items supplementing the 1973 Water Purchase Contract and its amendments, to be followed in carrying out the general purposes thereof, in an effort to simplify and guarantee to each other certain general principles affecting future operations of the respective two entities, as contemplated by the basic contract.

NOW, THEREFORE, by and in consideration of the mutual promises, assurances, and agreements of each of the parties, to the other, as set forth herein, the parties do hereby further agree to perform and to be bound by the following

additional provisions:

(1) Hopkinsville Water Environment Authority hereby extends the existing term of the contract between the parties for 42 additional years, commencing and running from the date of this memorandum agreement (contract extension through January, 2046);

(2) HWEA agrees to furnish CCWD such quantities of water in the future as may be required by the CCWD to carry out its operations, including desired extensions, not to exceed in all two million gallons per day, nor forty nine million gallons per month, exclusive of the amount of water transported by CCWD's transmission mains to the Crofton Water System, which is owned and operated by HWEA;

(3) That the CCWD shall provide written notice to HWEA before commencing the installation of any major line extension. Notice shall be provided no later than the date that the CCWD submits its plans to the Kentucky Division of Water for approval of the line extension;

(4) That the CCWD shall not wholesale any water sold or provided to it by HWEA without the prior written approval of HWEA, which approval shall not be unreasonably withheld by HWEA; and

(5) That in an effort to coordinate the planning and to minimize duplication of facilities, both the CCWD and HWEA hereby pledge to cooperate, and

to exchange information and communicate with each other regarding future projects.

This Memorandum Agreement shall be binding upon each of the parties hereto and their successors, and assigns.

WITNESS the hands of the respective parties hereto the day and year shown below.

HOPKINSVILLE WATER
ENVIRONMENT AUTHORITY

By: Robert C. Carter CHAIRMAN, Title

Subscribed, sworn to, and acknowledged before me by Hopkinsville Water Environment Authority, by Robert C. Carter, Chairman, this 8th day of January, 2004.

My commission expires 7-13-2007.

Crystal D. Alexander
Notary Public

CHRISTIAN COUNTY WATER DISTRICT

By: William J. Fife
Chairman, Title

Subscribed, sworn to, and acknowledged before me by Christian County

Water District by William Lile, Chairman, this 8th day
of January, 2004.

My commission expires November 18, 2005.

Ollie M. Futrell
Notary Public

This instrument was prepared by

John P. Kirkham
John P. Kirkham, Attorney at Law,
1404 South Virginia Street,
Hopkinsville, KY 42240